

SENATOR LARRY LUTZ



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The General Assembly concluded business this session two days ahead of the official deadline. I am happy to report that we were successful in providing funding for education and job creation, two of our highest priorities. I am also pleased that we produced a budget without raising taxes. The highlights of HEA 1001, the 2003-05 budget bill, are certainly the bold economic development package and the funding increases for public schools and our state universities. However, I am concerned about the lack of new funding in the budget for Indiana's Medicaid program.

This was a most difficult budget to put together, and because of the projected \$800 million deficit, this budget borrows from some state funds and makes significant cuts in others. State governments across the nation are facing the worst fiscal crisis since World War II. Due to this crisis, nearly half of the fifty states have implemented or are considering mass teacher layoffs, increased class sizes, shorter school years, and four-day school weeks.

Here in Indiana, the new budget provides more than \$495 million for our schools, representing a statewide average increase in regular funding of 1.6% in 2004 and 1.7% for 2005. Including the new state remediation grant and transfers of state pension and local capital projects fund dollars, these increases are 3.3% and 2.9% respectively. However, these modest increases were funded in part by flat lining Corrections and Medicaid funding.

It is the potential shortfall in Medicaid funding that causes me great concern. By 2005, over 800,000 Hoosiers will depend on this critical safety-net program for health care, and flat lining the appropriation jeopardizes many vital services. Governor O'Bannon already implemented a successful cost containment plan that saved over \$250 million, and this plan will save taxpayers another \$350 million in the current biennium. Although I applaud these efforts, as we need to control our expenses during these difficult economic times, I am disappointed that the budget does this at the expense of those served by Medicaid.

It will take drastic reductions in payments to health care providers (most of whom are already under-compensated by Medicaid rates), further restrictions on eligibility, or cuts in optional programs like prescription drugs to meet the spending levels called for in HEA 1001. I think such measures will go too far and turn back the progress we've made in health care coverage for our neediest citizens. Given that this program is an entitlement and the state must pay for services rendered, we may be forced to address budgetary matters again next session.

Please feel free to contact me if I can provide assistance with issues pertaining to state government. I hope you and your family have a safe and enjoyable summer!

**REPRESENTING SENATE DISTRICT 49
INCLUDING PORTIONS OF POSEY, GIBSON
& VANDERBURGH COUNTIES.**

Looking to the future with economic development legislation

Several key economic development measures passed this legislative session. Spearheaded by Governor O'Bannon's Energize Indiana plan, Democratic and Republican caucuses worked together to improve the original plan and assembled the final package approved by the General Assembly. Many noteworthy programs and economic development tools will soon be implemented.

Long-term and comprehensive economic development plans are included in the plan to move Indiana on the path to prosperity. Funding the 21st Century Fund and certified technology parks, extending the research and development tax credit, and implementing new tax credits for investment, biodiesel and ethanol production will encourage new jobs and investment in the high-tech sector. All jobs are high-tech in today's world, and these programs reflect this reality. From biomedical research to the local corner store owner selling Hoosier goods across the globe via the



Senator Lutz honored the Mater Dei High School wrestling team for winning the 2003 IHSA Dual Meet State Championship.

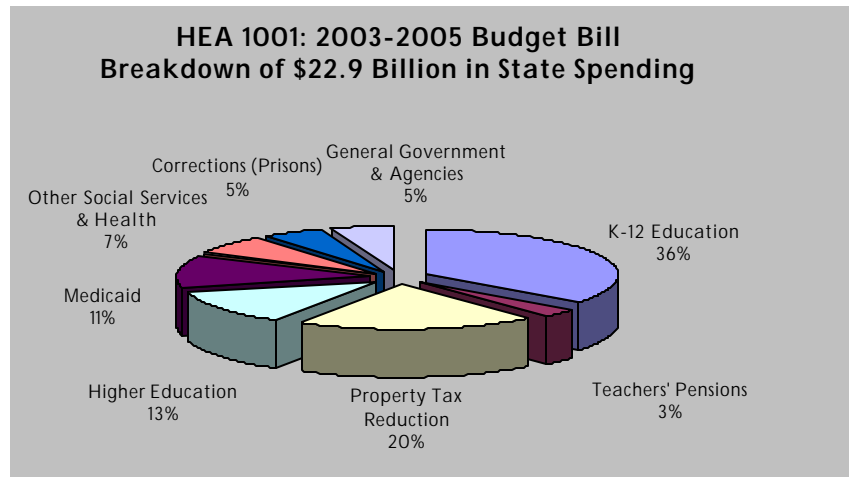
internet, Indiana needs to encourage the continuous integration of technology into all business sectors. Another key to economic revitalization is the immediate creation of jobs. Traditional infrastructure improvements and construction projects included in the biennial budget support long-term Indiana business needs while creating jobs that can be realized today. For example, the budget author-

izes the construction of university research facilities and community college buildings, serving the joint purpose of creating new jobs now and improving the facilities of Indiana's colleges and universities for the education and training of Hoosier workers.

While building for the future progress of Indiana, it is important to recognize that many Hoosier workers are looking for immediate relief. To help unemployed Hoosiers now, the

General Assembly allocated federal dollars to provide skill assessment tests for Hoosier workers, increase unemployment benefits, fund local WorkOne offices, and modernize the state unemployment system to ensure that unemployment assistance reaches Hoosiers faster. Improving these services will help keep the unemployed on their feet and moving towards new opportunities.

Overall, economic development measures passed during the 2003 legislative session will go a long way to move Indiana's economy into the 21st Century while helping Hoosiers affected by the soft economy to find jobs and support their families.



Is the state holding your unclaimed property?

According to state law, any property left unclaimed by the rightful owner is turned over to the State Attorney General's office. Everything from bonds and unpaid wages to estate proceeds have been turned over to the state. Check with the Attorney General's Unclaimed Property Division to see if you have property owed to you:

- ? Search the database at www.indianaunclaimed.com
- ? Call the Unclaimed Property Division at 1-866-IN-CLAIM

Lutz initiatives become law

I am pleased to report that many of the bills I authored or sponsored were approved during the 2003 General Assembly and have become law. A few of these initiatives include:

✍️ **HEA 1645** requires the Evansville State Hospital to transfer some of its property to the City of Evansville. The law also requires the Indiana Department of Transportation to work with the city and other entities to establish a local “greenways” system which will connect to ESH property.

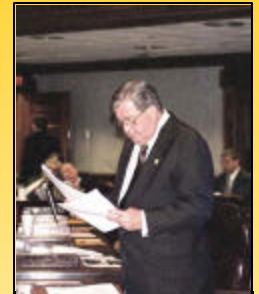
✍️ **HEA 1335** authorizes the State Fire Marshal’s Office to provide counterterrorism and hazardous materials training, support, and assistance to local public safety officials.

✍️ **SEA 216** authorizes the creation of a statewide “mutual aid” program where public safety agencies from all over the state could, if necessary, respond to an emergency or disaster anywhere in Indiana ranging from earthquakes to a terrorist attack.

✍️ **Senate Concurrent Resolution 54** urges the State Emergency Management Agency (SEMA) to provide the General Assembly with a comprehensive report on current and future training needs for Indiana firefighters. It has been a number of years since we as a state took an in-depth look at our training standards. This resolution asks SEMA to determine if we need to change or upgrade our standards.

✍️ **SEA 75** directs those state agencies which provide annual reports to the General Assembly to begin furnishing these reports in electronic form. It also requires these reports to be posted on the Internet. The goal of this legislation is to cut down on paper and publishing costs, and to make these reports more accessible to the public.

✍️ **HEA 1850** allows a juvenile court to order involuntary drug and alcohol treatment for minors. It also permits a juvenile court to order parents and guardians of minors to participate in any aspect of a child’s treatment.



Senator Lutz supported several bills addressing concerns about terrorism in Indiana.

Groundbreaking long-term care legislation gives patients new options for independence

Legislators this year approved groundbreaking legislation which will dramatically change the way tax dollars are spent on services for elderly and disabled Hoosiers. Senate Enrolled Act (SEA) 493 is designed to give individuals a range of services to choose from to best meet their changing needs.

This progressive legislation is expected to produce significant financial savings for Hoosier taxpayers because resources will be used more wisely. This is done through encouraging the use of alternatives to nursing homes, such as home-based services and assisted living facilities, which are typically less costly and allow for more patient independence.

The bill also contains provisions to support family care givers, many of whom care for their loved ones

at home. All too often, care givers experience “burnout,” prompting them to place their loved ones in a nursing home or some other institutional setting. SEA 493 establishes an assistance program to provide training, counseling, and support to family members who care for a loved one.

Ultimately, this legislation should save taxpayer dollars by enabling more Hoosiers to receive care in their homes instead of more expensive settings, such as nursing homes. Next to the budget, this could be the most important bill approved this session.

The design of the legislation was a collaborative effort by legislators, home health care agencies, senior citizen groups, Indiana’s area agencies on aging (AAAs), and the nursing home industry.



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WANT TO KNOW MORE? VISIT WWW.IN.GOV/S49

Senate District 49 Online

Visit my website at www.IN.gov/s49 for information about my participation in the State Senate and in our community. Available on the website are news releases about legislation that I supported and other important issues. You'll also find photographs and remarks that you can listen to about various legislative issues.

2003 Legislative Actions

If you are interested in a particular piece of legislation from the 2003 General Assembly, you can download the bill and bill status history at www.IN.gov/legislative.

State Government

You can also access other state government agencies on line from www.IN.gov.